

Message Text

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PAGE 01 BOGOTA 01210 01 OF 02 081619Z
ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 USIA-15 /034 W
-----081721Z 097238 /47

R 072005Z FEB 77
FM AMEMBASSY BOGOTA
TO USDOC WASHDC
INFO SECSTATE WASHDC 9754
AMEMBASSY QUITO
AMCONSUL CALI
AMCONSUL GUAYAQUIL
AMCONSUL MEDELLIN
AMCONSUL BARRANQUILLA

UNCLAS SECTION 1 OF 2 BOGOTA 1210

COMMERCE FOR WANDA ALE SAO/TM

E.O. 11652: N/A
TAGS: BEXP, CO
SUBJECT: ILLINOIS IOGA AGRICULTURAL EQUIPMENT TRADE MISSION
TO COLOMBIA AND ECUADOR

REF: A. USDOC 1131; B. STATE 01228; C. BOGOTA 0300;
D. 76 STATE 296715; E. 76 STATE 219703

1. MISSION ACTIVITIES HAVE BEEN COMPLETED IN BOGOTA.
THE FIVE MISSION MEMBERS HAD 86 APPOINTMENTS WITH A LOW
NO-SHOW RATE. ALL MISSION MEMBERS ACCOMPLISHED THEIR
OBJECTIVES AND IN MOST CASES THE RESULTS OF THE BOGOTA
STOP SURPASSED THEIR EXPECTATIONS. THE MISSION PARTICIPANTS
PRAISED THE QUALITY AND DIVERSITY OF THE APPOINTMENTS
SCHEDULED AND THE ORGANIZATION OF THE MISSION BY EMBASSY
STAFF. KEEN INTEREST WAS EXPRESSED IN MISSION MEMBERS'
PRODUCTS BY LOCAL BUSINESSMEN AND GOC OFFICIALS IN THE
AGRICULTURAL SECTOR. ABOUT 100 GUESTS ATTENDED THE
AMBASSADOR'S RECEPTION, INCLUDING THE VICE MINISTER
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OF AGRICULTURE AND OTHER KEY GOC OFFICIALS.

2. MISSION SCHEDULE WAS AS FOLLOWS: A. MISSION
MEMBERS ARRIVED SATURDAY, SUNDAY, AND MONDAY JAN 29, 30, 31
ON VARIOUS FLIGHTS. UPON ARRIVAL MISSION MEMBERS WERE GIVEN
WELCOME KIT INCLUDING INDIVIDUAL APPOINTMENT SCHEDULES AND
MARKET INFORMATION. B. MONDAY MORNING, MISSION

PARTICIPANTS WERE BRIEFED BY THE COMMERCIAL ATTACHE, AGRICULTURAL ATTACHE, ASSISTANT COMMERCIAL ATTACHE AND PRESIDENT OF THE COLOMBIAN/AMERICAN CHAMBER OF COMMERCE ON THE COLOMBIAN ECONOMIC AND BUSINESS ENVIROMENT, COLOMBIAN AGRICULTURAL PRODUCTION, THE MARKET FOR AGRICULTURAL EQUIPMENT, AND PROCEDURE FOR EXPORTING TO COLOMBIA. THE REMAINDER OF THE DAY WAS DEVOTED TO BUSINESS APPOINTMENTS. C. MONDAY EVENING, MISSION MEMBERS ATTENDED A RECEPTION HOSTED BY THE AMBASSADOR. APPROXIMATELY 100 COLOMBIAN BUSINESSMEN AND KEY GOVERNMENT OFFICIALS WERE PRESENT. D. ALL DAY TUESDAY AND MOST OF WEDNESDAY WERE DEVOTED TO A FULL SCHEDULE OF BUSINESS APPOINTMENTS IN THE BIC. WEDNESDAY AFTERNOON, TWO MISSION MEMBERS WENT ON PLANT VISITS. E. MISSION MEMBERS DEPARTED FOR CALI ON WEDNESDAY EVENING, FEB. 2.

3. A TOTAL OF 61 LEADS FOR DIRECT SALES WERE GENERATED AND 12 MONTH SALES WERE ESTIMATED AT \$1.5 MILLION. 16 REPRESENTATIVE AGREEMENTS ARE ANTICIPATED INCLUDING AT LEAST ONE LICENSE AGREEMENT. (SPECIALIZED INTERNATIONAL WILL APPOINT A NUMBER OF REPRESENTATIVES FOR THE VARIOUS PRODUCTS HANDLED). ALL PRIMARY OBJECTIVES WERE ACCOMPLISHED.

4. PRESS COVERAGE AND USIS SUPPORT WERE EXCELLENT. SEVEN ARTICLES, FOUR WITH PHOTOS, WERE PUBLISHED IN MAJOR NEWSPAPERS IN BOGOTA AND THE AGRICULTURAL REGIONS OF COLOMBIA. MISSION DIRECTOR WAS INTERVIEWED BY A NEWS UNCLASSIFIED

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MAGAZINE AND AN INTERVIEW WAS TAPED BY USIS WHICH WAS BROADCAST ON LOCAL RADIO STATIONS. SEVERAL LOCAL TELEVISION NEWS REPORTS CARRIED FILM CLIPS ON THE MISSION ACTIVITIES.

5. MISSION MEMBERS' COMMENTS DURING DEBRIEFING WERE AS FOLLOWS: A. AGRAIN, MR. WALDEN YALE (NEW TO MARKET-21 APPOINTMENTS). MR. YALE WAS DELIGHTED BY THE NUMBER AND QUALITY OF HIS APPOINTMENTS. POTENTIAL DISTRIBUTORS AND END-USERS SHOWED KEEN INTEREST IN HIS IRRIGATION EQUIPMENT AND HE WAS ABLE TO GAIN AN INSIGHT INTO THE TYPE EQUIPMENT WHICH WILL BE NEEDED. THE MINISTRY OF AGRICULTURE HAS 12 IRRIGATION PROJECTS UNDERWAY WHICH WILL OFFER EXCELLENT SALES OPPORTUNITIES. MR. YALE HAS TENTATIVE PLANS TO APPOINT DISTRIBUTORS IN THREE MAJOR AGRICULTURAL REGIONS OF COLOMBIA, BUT THIS MUST BE EVALUATED WITH OFFERS FROM THE POTATO AND RICE GROWERS ASSOCIATIONS TO BE SOLE DISTRIBUTORS. B. SPECIALIZED INTERNATIONAL, MR. TOM SLATTERY (NEW

TO MARKET - 24 APPOINTMENTS). MR. SLATTERY PROJECTS THAT HE WILL SELL \$500,000 OVER THE NEXT 12 MONTHS FROM THE 25 EXPORT SALES LEADS WHICH HE DEVELOPED. HE ALSO ANTICIPATES THAT 10 SALES REPRESENTATION AGREEMENTS WILL BE SIGNED FOR THE MANY COMPANIES WHICH HE REPRESENTS. HE WAS SURPRISED AT THE INTEREST SHOWN FOR HIS EQUIPMENT WHICH IS ALSO PRODUCED IN COLOMBIA. IN SEVERAL INSTANCES, HE COULD SUPPLY THE EQUIPMENT CIF INCLUDING DUTIES AT A LOWER PRICE THAN THE LOCALLY-MANUFACTURED MACHINERY. C. SPECIALIZED PRODUCTS, MR. BOB WRIGHT (NEW TO MARKET - 19 APPOINTMENTS. 16 TRADE LEADS WERE DEVELOPED WHICH SHOULD GENERATE SIZEABLE EXPORT SALES. MR. WRIGHT PLANS TO SET UP A DISTRIBUTOR AT A LATER DATE, BUT A CAREFUL SELECTION PROCESS WILL BE REQUIRED BECAUSE A DISTRIBUTOR FOR HIS PRODUCTS MUST HAVE THE EQUIPMENT NECESSARY TO ERECT AND GUILD THE GRAIN HANDLING MACHINERY. THIS WILL NECESSITATE UNCLASSIFIED

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A SIZEABLE INVESTMENT. GREATEST INTEREST WAS SHOWN IN HIS HANDLING EQUIPMENT. D. PARSONS MANUFACTURING COMPANY, BOB PARSONS (NEW TO EXPORT-11 APPOINTMENTS). MR. PARSONS DEVELOPED A SIGNIFICANT NUMBER OF SALES LEADS AND HE WILL PROBABLY WORK THROUGH A DISTRIBUTOR AFTER A CAREFUL STUDY OF THE MARKET.

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UNCLAS SECTION 2 OF 2 BOGOTA 1210

COMMERCE FOR WANDA ALE SAO/TM

E.O. 11652: N/A

TAGS: BEXP, CO

SUBJECT: ILLINOIS IOGA AGRICULTURAL EQUIPMENT TRADE MISSION
TO COLOMBIA AND ECUADOR

MANY PEOPLE THOUGHT THEY COULD BUY AND SELL
HIS GRAIN HANDLING EQUIPMENT IMMEDIATELY, BUT A
DISTRIBUTOR WILL REQUIRE TECHNICAL EXPERTISE AND
ENGINEERING SKILLS TO BE ABLE TO INSTALL AND SERVICE
THIS EQUIPMENT. THREE STRONG CANDIDATES WERE DEVELOPED
FOR DISTRIBUTING HIS MACHINERY IN COLOMBIA, AND HE IS
ENTHUSIASTIC ABOUT THE MARKET POTENTIAL. C. BIG
WHEELS, BOB PAULEY (NEW TO EXPORT - 11 APPOINTMENTS).
MR. PAULEY WAS EXTREMELY PLEASED WITH HIS APPOINTMENT
SCHEDULE WHICH SURPASSED HIS EXPECTATIONS. IMMEDIATE
SALES WERE APPROXIMATELY \$100,000 WITH 12 MONTH
PROJECTIONS OF \$200,000. HE MADE PROMISING CONTACTS
WITH END USERS AND POTENTIAL DISTRIBUTORS. A PROBLEM
DOES EXIST CONCERNING HOW HIS EQUIPMENT WILL BE CLASSIFIED
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BY THE GOC CUSTOMS AUTHORITIES. IF IT IS CLASSIFIED AS
A TRUCK, THE DUTY WILL BE 100 OR 200 PERCENT BASED ON
THE VEHICLE WEIGHT. IF CLASSIFIED AS A TRACTOR FOR
DISPERSING FETILIZER, THE DUTY WILL BE ABOUT ONE
PERCENT. EMBASSY OFFICIALS POINTED OUT THE NECESSITY
OF APPOINTING AN AGGRESSIVE DISTRIBUTOR WHO WOULD BE
ABLE TO OBTAIN A FAVORABLE TARIFF CLASSIFICATION.
NOTE: MR. PAULEY ASKED THAT THIS INFORMATION BE USED ONLY
IN U.S. GOVERNMENT CHANNELS AND NOT PUBLISHED SINCE
ONE OF HIS DIRECT COMPETITORS WAS REPRESENTED ON THE
TRADE MISSION. TRADE MISSION MEMBERS WERE NOT AS
FORTHCOMING AS USUAL BECAUSE THREE OF THE COMPANIES
HAD PRODUCTS WHICH WERE IN DIRECT COMPETITION.

6. ALTHOUGH THE IOGA TRADE MISSION WAS VERY SUCCESSFUL,
THIS WAS ONE OF THE MOST PROBLEM-RIDDLED TRADE EVENTS
WHICH HAS BEEN ENCOUNTERED TO DATE BY THE POST. FIRST
OF ALL, THE EMBASSY WAS KEPT IN DOUBT AS TO WHETHER
THE MISSION VISIT WOULD TAKE PLACE UNTIL LESS THAN
THREE WEEKS BEFORE THE GROUP ARRIVED. FURTHERMORE,
THE EMBASSY RECEIVED LITTLE OR NO TIMELY INFORMATION
FORM USDOC OR MISSION ORGANIZERS ABOUT THE PARTICIPANTS
AND THEIR PRODUCTS. AS THE TIME FOR THE MISSION ARRIVAL
APPROACHED, FOUR SEPARATE CABLE WERE SENT TO USDOC

INQUIRING ABOUT THE STATUS OF THE MISSION. NONE OF THESE CABLES WERE ANSWERED. NOT UNTIL JANUARY 19, DID WE RECEIVE FINAL CONFIRMATION OF MISSION MEMBERS AND THE VITAL BROCHURE INFORMATION. THIS LEFT ONLY EIGHT WORKING DAYS TO PREPARE AND MAIL THE INVITATIONAL CIRCULAR LETTER, MAKE APPOINTMENTS FOR THE MISSION, AND ATTEND TO ALL THE NECESSARY DETAILS WHICH MAE THE MISSION A SUCCESS. TIMELY RECEIPT OF THIS BROCHURE INFORMATION WOULD HAVE GREATLY ALLEVIATED THE PLANNING DIFFICULTIES WHICH THE POST ENCOUNTERED DUE TO THE SHORT TIME FRAME.

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7 EMBASSY RECOMMENDS THAT FOR FUTURE IOGA EVENTS USDOC GIVE MISSION ORGANIZERS A CLEAR PICTURE OF EXACTLY WHAT SUPPORT WILL BE GIVEN TO AN IOGA GROUP BY AN EMBASSY. WITH THIS PARTICULAR GROUP, MISSION ORGANIZERS DID NOT UNDERSTAND THE LIMITATIONS ON ASSISTANCE FROM COMMERCIAL SECTION. FOR EXAMPLE, MISSION ORGANIZERS BELIEVED THAT THE EMBASSY WOULD PROVIDE FULL-TIME SECRETARY SUPPORT TO THE MISSION BOTH BEFORE AND DURING THE MISSION. THIS WOULD HAVE INVOLVED ABOUT 33 FULL DAYS OF SECRETARIAL HELP, AND WOULD HAVE REQUIRED SUSPENDING THE NORMAL COMMERCIAL FUNCTIONS OF THE EMBASSY. THE TRADE MISSION ORGANIZERS ALSO EXPECTED OFFICE SPACE WOULD BE PROVIDED IN THE EMBASSY FOR THE BIC SO THAT THEY COULD AVOID RENTING A MEETING ROOM. UNFORTUNATELY, NO ROOM OF THIS TYPE IS AVAILABLE. THE EMBASSY IS NOT EQUIPPED TO PROVIDE THE KINDS OF SERVICES EXPECTED BY THE MISSION WITHOUT JEOPARDIZING THE ACCOMPLISHMENT OF THE BASIS RESPONSIBILITIES OF THE COMMERCIAL SECTION IN THE FUTURE, THE EMBASSY WOULD APPRECIATE IT IS USDOC WOULD EMPHASIZE TO IOGA MISSION ORGANIZERS THAT THERE ARE SERIOUS LIMITATIONS THE EMBASSY'S RESOURCES AND THAT BUDGET PROPOSALS FOR TRADE MISSIONS ARE SERIOUS DOCUMENTS WITH VERY LITTLE ROOM FOR CHANGES.

8. BASED ON THE SUCCESSFULL RESULTS OF THIS MISSION DESPITE THE PROBLEMS AND BECAUSE OF THE CONTINUING IMPORTANCE OF AGRICULTURAL PRODUCTION IN THE COLOMBIAN ECONOMY, POST RECOMMENDS A FUTURE AGRICULTURAL EQUIPMENT TRADE MISSION DURING 1978. SEE BOGOTA A-8, JANUARY 8, 1977, FOR MARKET INFORMATION AND BEST PROSPECTS WITHIN THIS SECTOR.
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